

**MINUTES**  
**from the Extraordinary General Meeting of Shareholders of**  
**KazMunaiGas Exploration Production Joint Stock Company**

The extraordinary general meeting of the shareholders (hereinafter referred to as the Meeting) of KazMunaiGas Exploration Production Joint Stock Company (hereinafter referred to as the Company) located at: 17 Kabanbai Batyr Ave., Astana, 010000, was held on 16 August 2011 at 11:00 at: 17 Kabanbai Batyr Ave., Astana, 010000, conference room 1201, 12<sup>th</sup> floor.

The Company Managing Director for Share Management in Joint Ventures Dauletzhan Kenesovich Khasanov declared the Meeting to be opened and gave the floor to the Chairman of the Counting Committee of the Company Rustam Terekhov.

The Chairman of the Counting Committee stated that, in accordance with the list of the Company's shareholders provided by the Registrar of the Company, Fund Centre JSC, dated 5 July 2011 the total number of the shares placed by the Company constitutes 74,357,042, including 4,136,107 preferred shares, 70,220,935 common shares. According to sub-clause 8) of article 1 of the Joint Stock Companies Law of the Republic of Kazakhstan voting shares do not include the shares bought out by the Company, as well as the shares which are nominally held and belong to an owner without profile available in the central depository database. The number of common shares belonging to owners without profile available in the Central Depository database constitutes 26,500,625. The Meeting registered the presence of 2 shareholders who have the right to take part and vote at the Meeting and who possess 90% of the total number of the Company's voting shares:

1. National Company KazMunayGas Joint Stock Company represented by the proxy holder Oryn Muratovich Sultanov, director of the department of producing assets of National Company KazMunayGas Joint Stock Company, (power of attorney No. 1-118 dated 3 August 2011), the owner of 43,087,006 common shares (70% of the total number of the Company's shares);

2. The Bank of New York Mellon represented by the proxy holder Serik Zhardemovich Zhamanbalin (power of attorney, no number, dated 10 August 2011), the owner of 15,473,504 common shares (20% of the total number of the Company's shares);

Total: Present are two shareholders possessing 90% (NC KazMunayGas JSC – 70%, The Bank of New York Mellon – 20 %) of the total number of the Company's voting shares.

Quorum of the meeting of the shareholders is reached.

D. K. Khasanov proposed to appoint Oryn Muratovich Sultanov as the Chairman of the Meeting of the Company.

This issue was put to voting. Total number of the votes taking part in the voting was 43,087,006 votes.

**Voted:**

- **For** - 43,087,006 votes;
- **Against** - no votes;
- **Abstained** - no votes.

**Decision is adopted by the majority of votes:** to appoint Oryn Muratovich Sultanov as the Chairman of the Meeting of the Company.

D. K. Khasanov informed that, in accordance with clause 10.39 of the Company's Charter, the Secretary of the Company's Meeting is the Company Secretary. In this regard, it was proposed to appoint Askhat Serikovich Kasenov, the Company Secretary, as the Secretary of the Company's Meeting.

This issue was put to voting. Total number of the votes taking part in the voting was 1 vote.

**Voted:**

- **For** - 1 vote;
- **Against** - no votes;
- **Abstained** - no votes.

**Decision is adopted:** to appoint Askhat Serikovich Kasenov as the Secretary of the Company's Meeting.

Further, the Chairman of the Meeting O.M. Sultanov informed the shareholders about the procedures and forms of voting at the Company's Meeting. It was proposed to determine the form of voting on all issues of the agenda as the open voting method.

This issue was put to voting. Total number of the votes taking part in the voting was 1 vote.

**Voted:**

- **For** - 1 vote;
- **Against** - no votes;
- **Abstained** - no votes.

**Decision is adopted:** to determine the form of voting on all issues of the agenda at the Company's Meeting as the open voting method.

Chairman of the Meeting O.M. Sultanov gave the floor to the Secretary of the Company's Meeting A.S. Kasenov regarding the determination of the procedural regulations of the Meeting. A.S. Kasenov proposed to provide speakers on the agenda issues with the time of up to ten minutes, speakers in debates with up to five minutes, and the Counting Committee for counting votes with up to seven minutes.

As there were no other proposals on this issue, the issue was put to voting. Total number of the votes taking part in the voting was 1 vote.

**Voted:**

- **For** - 1 vote;
- **Against** - no votes;
- **Abstained** - no votes.

**Decision is adopted by the majority of votes:** to approve the following procedural regulations of the Company's Meeting: speakers on the agenda issues will be provided with up to ten minutes, speakers in debates – up to five minutes, the Counting Committee for counting votes – up to seven minutes.

Chairman of the Meeting O.M. Sultanov gave the floor to the Secretary of the Company's Meeting A.S. Kasenov regarding the issue of the agenda. A.S. informed that on 28 June 2011 the Company's Board of Directors took the decision to call for the extraordinary General Meeting of the Shareholders. The message about the calling of the Meeting was published in the newspapers *Yegemen Kazakhstan* and *Kazakhstanskaya Pravda* dated 2 July 2011. There were no proposals from large shareholders about the addenda and amendments of the agenda.

Thus, it was proposed to approve the following agenda:

1. Readjustment of the Company through merger of NBK LLP into the Company;
2. Approval of Transfer Deed between KazMunaiGas Exploration Production JSC and NBK LLP;
3. Approval of Deed of Merger between KazMunaiGas Exploration Production JSC and NBK LLP;
4. Approval of amendments to Company Charter;
5. Company's Counting Commission.

As there were no other proposals on this issue, the issue was put to voting. Total number of the votes taking part in the voting was 43,087,006 votes.

**Voted:**

- **For** - 43,087,006 votes;
- **Against** - no votes;
- **Abstained** - no votes.

**Decision is adopted:** to approve the following agenda of the Meeting:

1. Readjustment of the Company through merger of NBK LLP into the Company;
2. Approval of Transfer Deed between KazMunaiGas Exploration Production JSC and NBK LLP;
3. Approval of Deed of Merger between KazMunaiGas Exploration Production JSC and NBK LLP;
4. Approval of amendments to Company Charter;
5. Company's Counting Commission.

**On the first issue** of the agenda the Chairman of the Meeting O.M. Sultanov gave the floor to D. K. Khasanov.

D. K. Khasanov informed that NBK LLP (hereinafter as the Partnership), the sole member of which is KazMunaiGas Exploration Production JSC (hereinafter as the Company) is

developing Novobogatinskoye West oilfield under subsoil use contract. Geographically, the oil field is located in the territory of Isatai district of Atyrau oblast. The field is adjacent to Embamunaigas production branch, and therefore the Partnership is taking the full advantage of the infrastructure of Embamunaigas production branch for oil treatment, storage and transportation.

Given the convenient geographic location of Novobogatinskoye West oilfield, and the technical potential of Embamunaigas engineers, to ensure effective management of Partnership assets, the Company believes it expedient to integrate the Partnership assets with those of Embamunaigas production branch.

The readjustment by way of incorporation of the Partnership into the Company is carried out with a view to implement the regional oil assets consolidation strategy, increase efficiency from operating activities by way of synergy of the Partnership assets with existing infrastructure of the Company in the regions and optimize capital and operating expenditures.

With a view to increase efficiency from operating activities and optimize the relevant expenditures under the Subsoil Use Contract it is recommended to put over the reorganization by way of incorporation of the Partnership into the Company through the transfer of all property, rights and liabilities of the Partnership to the Company on the basis of Deed of Merger and in accordance with the transfer deed.

Pursuant to clause 12.2.37 of the Company Charter the issue regarding readjustment of the Company has been approved by the Company's Board of Directors (minutes No.22 dated 13 December 2010).

In accordance with clause 11.1.2 of the Company Charter, voluntary reorganization or liquidation of the Company falls within the exclusive competence of the Company's Board of Directors.

The issue was put to voting. Total number of the votes taking part in the voting was 58,560,510 votes.

**Voted:**

- **For** - 58,387,782 votes;
- **Against** - 9,703;
- **Abstained** - 163,025.

**Decision is adopted by the majority of votes:**

1. The Company shall be readjusted by way of incorporating NBK LLP into the Company.
2. A. Balzhanov, Company CEO (Management Board Chairman) shall procure that all the procedures required by the Kazakhstan judicial authorities are implemented.

**On the second issue** of the agenda the Chairman of the Meeting O.M. Sultanov gave the floor to D. K. Khasanov. D. K. Khasanov informed that In accordance with clause 2 of article 46 of the Kazakhstan Civil Code if a legal entity merges into another legal entity the latter one has the rights and obligations of the legal entity which merged into it subject to the transfer deed.

Therefore, in order for the Company to be readjusted by way of NBK LLP merging into the Company, bilateral approval of the transfer deed between KazMunaiGas Exploration Production JSC and NBK LLP is required.

The issue was put to voting. Total number of the votes taking part in the voting was 58,560,510 votes.

**Voted:**

- **For** - 58,387,782 votes;

- **Against** - 9,703 votes;
- **Abstained** - 163,025.

**The decision is taken by the majority of votes:**

The transfer deed between KazMunaiGas Exploration Production JSC and NBK LLP enclosed herewith shall be approved.

**On the third issue** of the agenda the Chairman of the Meeting O.M. Sultanov gave the floor to D. K. Khasanov. D. K. Khasanov informed that In accordance with clause 1 of article 83 of the Joint Stock Companies Law a merger of one company into another is discontinuation of operations/winding-up of the company which is going to merger with all property, rights and obligations transferred to the other company into which it is about to merger under deed of merger and subject to deed of transfer.

Also, in accordance with clause 3 of article 62 of the Limited and Additional Companies Law of Kazakhstan, executive bodies of limited and additional liability partnerships which are involved in a merger, amalgamation, shall prepare drafts of deeds of merger, and submit issues of merger to general meeting of shareholders for consideration and approval.

The wording of the deed which has been agreed upon shall be signed by authorized executive bodies of the partnerships.

The deed of merger shall contain company name, location and address of each partnership involved in such merger, their balance account data, and shall stipulate terms and conditions of such merger.

As it had been explained by the Committee of Registration Authority and Legal Support under the Ministry of Justice of the Republic of Kazakhstan when a legal entity is being readjusted/reorganized with various business legal structures (TOO merger into AO), one should be governed by general procedure for reorganization through merger as stipulated for legal entities of one and the same form of incorporation.

Therefore, in order for NBK LLP to merger into the Company, bilateral approval of deed of merger between the Company and the Partnership is required.

The issue was put to voting. Total number of the votes taking part in the voting was 58,560,510 votes.

**Voted:**

- **For** - 58,387,782 votes;
- **Against** - 9,703 votes;
- **Abstained** - 163,025.

**The decision is taken by the majority of votes:**

To approve the Deed of Merger between KazMunaiGas Exploration Production JSC and NBK LLP.

**On the fourth issue** of the agenda the Chairman of the Meeting O.M. Sultanov gave the floor to Legal Managing Director M.O. Saulebai. M.O. Saulebai informed that Kazakhstan Law dated February 10, 2011 “On amendments of certain Kazakhstan enactments regarding mortgage credit lending and protection of financial services consumers and investors” introduced amendments into Kazakhstan Joint Stock Companies’ Law (hereinafter referred to as the Law). Amendments stipulate the number of important provisions which should be reflected in KMG EP Charter according to our reckoning.

In particular the amendments relate to the following:

- 1) procedures for holding general meetings of shareholders, the Board meetings and meetings of the Company Management Board;
- 2) the powers of the Company Board of Directors;
- 3) responsibility of officers for decision-making with respect to the Company activities;
- 4) procedure for information disclosure affecting the interests of shareholders and submission of documents as per shareholder's request.

Apart from the above issues it is recommended that the relevant structural subdivisions introduce the number of amendments into the Charter with a view to address certain issues of the Company activities and adjust the current powers of the Company bodies:

- broaden the powers of the Board of Directors to include imposition of disciplinary sanction on members of Management Board and Company Secretary. This issue was not addressed before in the Company Charter. Considering that the Board of Directors is empowered to appoint the Company employees in question we believe that it should make decisions regarding imposition of disciplinary sanction on the employees in question;
- adjust the powers of the Board of Directors with regard to approval of strategy and strategic development plans of the Company. According to the strategic planning concept the approval of both the Company strategy, general strategic development plan and strategic development plans in certain areas of the Company activities fall within the competence of the Company Board of Directors. In view of the above the adjustment of clause 12.2.28 of the Charter is aimed to update the powers of the Board of Directors in this area;
- adjust the powers of the Board of Directors to include the approval of the Company medium-term consolidated budget. Earlier the Charter stipulated the competence of the Board of Directors only to approve the annual budget. Considering that there is a possibility for transition to planning of the activity on medium-term basis in the Company it is recommended including approval of medium-term budgets into the competence of the Board of Directors;
- broaden the powers of the Company Management Board to include giving recommendations to the Boards of Directors, Supervisory Boards of the Company subsidiaries and affiliates and to the authorized representatives of the Company in these bodies with regard to activities of the organizations in question. This amendment is recommended as part of improvement of corporate governance, with a view to monitor the performance of subsidiaries and affiliates. The existing practice and results of subsidiaries and affiliates performance audit by the Company Internal Audit Team showed that the Company Management Board needs to review and coordinate many issues with regard to subsidiaries and affiliates.

It is also recommended introducing certain amendments as part of the Charter updating.

Considering that in accordance with clause 12.2.7 the approval of the Charter and its amendment falls within the competence of the Company Board of Directors it is recommended considering the issue regarding approval of the Company Charter at the

meeting of the Company Board of Directors and submitting it to general meeting of shareholders for approval.

The above amendments have been reviewed and endorsed by the Company's Board of Directors (minutes No.7 dated 5 May 2011).

In accordance with clause 11.1.1 of the Company Charter, introduction of amendments to the Charter or approval of the updated Charter falls within the exclusive competence of the general meeting of Company's shareholders.

The issue was put to voting. Total number of the votes taking part in the voting was 58,560,510 votes.

**Voted:**

- **For** - 58,550,807 votes;
- **Against** - 9,703 votes;
- **Abstained** - no votes.

**The decision is taken by the majority of votes:**

1. To approve the amendments to the Company Charter.
2. A. Balzhanov, Company CEO (Management Board Chairman) shall procure that all the amendments to the Company Charter are registered by the Kazakhstan judicial authorities.

**On the fifth issue** of the agenda the Chairman of the Meeting O.M. Sultanov gave the floor to A.S. Kasenov. A.S. Kasenov informed that pursuant to Article 36.1.4 of the Law and Section 11.1.7 of the Company Charter, determination of headcount and terms of office of the counting commission, and election of members of the counting commission and early termination of their powers fall within exclusive competence of general meeting of shareholders.

In view of transfer of Mr. Rustam Terekhov, a member of the current counting commission, to another department of the Company, it is proposed to terminate his powers before the end of term of office and appoint a new member of the Company's counting commission Yerden Raimbekov, Company's Compliance Officer.

At the same time, subject to the resolution of the Company's General Meeting (dated 28 May 2008) the term of office of the current counting commission was set for 3 years starting from October 3, 2008. Taking into account that the term of office of the existing counting commission expires on October 3, 2011 it is suggested to extend the term of office of the current members of the counting commission from October 3, 2011 to October 3, 2014.

The issue was put to voting. Total number of the votes taking part in the voting was 58,560,510 votes.

**Voted:**

- **For** - 58,521,035 votes;
- **Against** - no votes;
- **Abstained** - 39,475 votes

**The decision is taken by the majority of votes:**

1. To terminate powers of Rustam Terekhov, member of the current counting commission and appoint a new member of the counting commission Yerden Raimbekov for the term of office of the Company's current counting commission.
2. To extend the term of office of the current counting commission of the Company from October 3, 2011 to October 3, 2014.

After adoption of the decision on the sole issue of the agenda, the Chairman of the Meeting O.M. Sultanov thanked the shareholders for participation and declared the meeting closed.

The Company's Meeting was closed at 12:00.

Chairman of the General  
Meeting of Shareholders

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O. Sultanov

Secretary of the General  
Meeting of Shareholders

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A. Kasenov

Members of the Counting  
Committee:

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R. Terekhov

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D. Alimov

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G. Nurgaliyev

From the Shareholder possessing  
more than 10% of Common  
Shares

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O. Sultanov

From the Shareholder possessing  
more than 10% of Common  
Shares

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S. Zhamanbalin